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UNITED STATES DISTRICT COURT FOR THE DISTRICT OF UTAH
CENTRAL DIVISION

<p>SECURITIES AND EXCHANGE COMMISSION,</p> <p style="text-align: right;">Plaintiff,</p> <p style="text-align: center;">v.</p> <p>NATIONAL NOTE OF UTAH, LC, a Utah Limited Liability Company and WAYNE LaMAR PALMER, and individual,</p> <p style="text-align: right;">Defendants.</p>	<p>TWENTY-FIFTH STATUS REPORT OF R. WAYNE KLEIN, RECEIVER</p> <p style="text-align: center;"><i>For the Quarter Ending September 30, 2018</i></p> <p style="text-align: center;">2:12-cv-00591 BSJ</p> <p style="text-align: right;">The Honorable Bruce S. Jenkins</p>
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R. Wayne Klein, the Court-Appointed Receiver (the “Receiver”) of National Note of Utah, LC (“National Note”), as well as certain subsidiaries and entities affiliated with National Note and the assets of Wayne LaMar Palmer (“Palmer”), hereby submits this Twenty-Fifth Status Report for the period July 1, 2018 through September 30, 2018 (the “Reporting Period”).

I.

PROCEDURAL HISTORY

This action (the “Civil Case”) was commenced by the United States Securities and Exchange Commission (the “SEC”) on June 25, 2012, against Defendants Palmer and National

Note by the filing of a Complaint in the United States District Court for the District of Utah (the “Court”).¹ The Court held a trial on November 2, 2015 and on November 30, 2015 entered judgment against Palmer and National Note.²

On August 19, 2015, a grand jury indicted Palmer and his cousin, Julieann Palmer Martin. On February 5, 2017, both pleaded guilty. Palmer pleaded guilty to two felony counts: a scheme and artifice to defraud and money laundering. Ms. Martin pleaded guilty to one felony count of concealing fraud by another. On February 26, 2018, the Court rejected the plea agreements and set a September 2018 trial date.

Ms. Martin subsequently reaffirmed her plea agreement and on May 11, 2018 was sentenced to 16 months in prison followed by three years of probation and ordered to pay approximately \$2 million in restitution. She is currently incarcerated in Phoenix, Arizona, with a scheduled release date in August 2019.

On August 9, 2018, Palmer entered a new plea agreement to the same two felony counts. On August 31, 2018, the Honorable Clark Waddoups found that the new agreement was reasonable and imposed a sentence of 60 months incarceration and three years of post-release supervised probation. Palmer also is ordered to pay \$52,944,855.41 in restitution to 564 investors, with at least \$500 being required to be paid each month after his release from prison, Palmer is required to report to prison on January 17, 2019.

¹ Docket No. 1.

² Docket No. 1043.

II.

REAL ESTATE TRANSACTIONS

Attached hereto as Exhibit A is a chart setting forth the status of all real properties in the Receivership Estate as of September 30, 2018. At the beginning of the Reporting Period, two primary properties remained in the Receivership Estate: 37 lots located in the “Elkhorn Ridge” subdivision in Malad, Idaho and the “Overland Trails” property located in Eagle Mountain, Utah. Activity related to these properties during the Reporting Period is discussed below.

A. Overland Trails Appraisal and Proposed Auction. Overland Trails had been the subject of numerous deeds of trust and tax liens securing alleged claims exceeding \$225,000. Based on concerns that the Receivership Estate lacked equity in the property, the Court authorized the Receiver to enter into settlement agreements with five lienholders under which a total of \$108,900 was paid in exchange for a release of liens.³

Subsequently, the Receiver received an offer to purchase Overland Trails for \$250,000. On June 22, 2018, the Receiver filed a *Motion Seeking Approval of (1) Public Sale of Property Free and Clear of Interests, (2) Method and Form of Publication Notice, and (3) Public Auction Procedures and Memorandum in Support* (the “Auction Motion”).⁴ The Receiver requested that he be authorized to conduct an auction of the Overland Trails using a \$250,000 purchase offer that he obtained as an opening bid. He recognized in the Auction Motion that the opening bid was below the property’s 2016 appraised value of \$340,000, but hoped that a competitive

³ Docket No. 1382.

⁴ Docket No. 1398.

bidding process would increase the ultimate sales price.

The Court subsequently requested that the Receiver obtain an updated appraisal of Overland Trails, and on June 28, 2018, entered an *Order Granting Receiver's Motion to Appoint Appraiser for Overland Trails Property*.⁵ The Receiver thereafter filed an *Addendum* to the Auction Motion, disclosing that according to the updated appraisal, Overland Trails has a value of \$380,000.

The Court held a hearing on the Auction Motion, as supplemented by the Addendum, on August 31, 2018, informing the Receiver that it would not authorize an opening bid of \$250,000 given the appraised value of Overland Trails. The Court instructed the Receiver to conduct additional marketing of the property to see if a higher starting bid could be obtained. That same day, the Court entered an *Order* denying the Auction Motion as supplemented.⁶

The Receiver thus informed the person who had submitted the \$250,000 offer for Overland Trails that he was required to reject the offer. He also requested that the broker engaged to market Overland Trails reengage in marketing the property. The property has been marketed, and after the close of the Reporting Period, the Receiver received a new purchase offer for \$400,000. A motion will be filed, and further information about this offer will be included in the next Status Report.

⁵ Docket No. 1401.

⁶ Docket No. 1418.

B. Elkhorn Ridge Estates. The other real property still owned by the Receivership Estate consists of building lots in the Elkhorn Ridge development located near Malad, Idaho. Over the past six years, ten of these lots have sold, but 37 remain.

On July 18, 2018, the Receiver filed a *Motion Requesting Order Approving Elkhorn Lots 9 and 10 Free and Clear of Interests*.⁷ which was granted by an *Order* entered on August 31, 2018.⁸ In late September, the buyer notified the Receiver that the buyer would not close the sale of these lots due to the tragic death (at Elkhorn Ridge) of the buyer's friend. The Receiver has retained the buyer's earnest money deposit and is remarketing these lots for sale with the other remaining Elkhorn Ridge lots.

III.

COLLECTION OF JUDGMENTS

The following collection efforts were accomplished during the Reporting Period:

A. Collection Recoveries.

1. Blakeslee. On August 31, 2018, Joel Blakeslee paid the Receivership Estate \$3,000 to settle an action seeking to collect a judgment against him. While the judgment was in the amount of \$24,689.36,⁹ the Receiver determined that settling with Mr. Blakeslee was in the best interest of the Receivership Estate inasmuch as information obtained from Mr. Blakeslee through collection efforts demonstrated that (i) Mr.

⁷ Docket No. 1405.

⁸ *Order Granting Receiver's Motion Requesting Order Approving Sale of Elkhorn Lots 9 & 10 Free and Clear of Interests*, Docket No. 1419.

⁹ The judgment also included \$7,900.59 in prejudgment interest, for a total of \$32,589.95.

Blakeslee's Nevada home is exempt from execution, and (ii) Mr. Blakeslee's other property holdings do not have equity for the Receivership Estate inasmuch as its judgment is subordinate to prior recorded liens.

2. Andreasen. On September 4, 2018, after the Receiver conducted a supplemental proceeding, Max and Melanie Andreasen paid the Receivership Estate the principal amount of the judgment against them in the amount of \$49,000.

B. Collection Efforts on Four Remaining Judgments. The Receiver continues to pursue collection on four judgments. Three of these judgments have been referred to a law firm for collection under an agreement whereby the law firm will advance all collection expenses and will be compensated only from amounts collected. Out of these judgments, one against Colt W. Perrin appears to have been settled during the Reporting Period, and the Receiver should receive the settlement funds during the next Reporting Period. The fourth collection effort, against Utah resident Carol Slaughter, is being pursued by the Receiver's counsel. Based on information obtained from a post-judgment debtor's examination, it appears Ms. Slaughter's primary asset is a home—but the home is held in a trust. The Receiver and Ms. Slaughter's counsel are attempting to negotiate a settlement.

C. Collection of Amounts Owed Under Approved Settlement Agreements.

1. Scheduled Payments. Three Court-approved settlement agreements include scheduled payments that are not yet due. Amounts due under two of these agreements should be paid in full by December 31, 2018. The third settlement payment is conditioned upon the resolution of litigation between other parties. The attorney for the

defendants in that matter has informed the Receiver that payment will likely be made by the end of this year.

2. Cory Palmer. The Receiver has determined that it is most beneficial to the Receivership Estate to abandon collection efforts with regard to monies owed by Cory Palmer pursuant to a Court-approved settlement agreement under which he promised to pay a total of \$21,600. After paying a total of \$13,950 of that amount, Mr. Palmer stopped making payments and communicating with his counsel and the Receiver. The Receiver has determined that attempting to collect the remaining sum owed would cost more than any recovery in light of the fact that Mr. Palmer has reportedly lost his employment and moved out of state.

IV.

DISTRIBUTIONS

A. The Initial Distribution. On November 14, 2016, pursuant to the Initial Distribution Order, the Receiver distributed \$4.49 million to the holders of “Allowed Claims” who were entitled to a distribution under the *Plan of Distribution* that was approved by the Court. All distribution checks related to this initial distribution cleared. Subsequently, on May 14, 2018, the Court entered an Order allowing payment of \$20,960.85 to the holders of three Disputed Claims.¹⁰ Those payments have been made and the checks have cleared.

¹⁰ Docket No. 1376.

B. The Second Distribution. On June 21, 2018, the Court entered an *Order Granting Receiver's Amended Motion Seeking Authorization to Make Second Distribution*.¹¹ Pursuant to that Order, the Receiver distributed on June 29, 2018, a total of \$2,005,394.41 to 228 holders of Allowed Claims entitled to a distribution under the rising tide methodology approved by the Court as part of the Initial Distribution Order. During the Reporting Period, 227 of those distribution payments cleared the bank.¹² With the second distribution, all investors who lost money as a result of their National Note investments have recovered at least 27.57% of their net principal investment.

V.

FINANCIAL ANALYSIS

A. Receivership Financial Information. The following financial information is provided for the Reporting Period:

1. **Bank Accounts.** The Receiver maintains two bank accounts for the operation of the Receivership Estate: a general operating account (the "Operating Account") and an account used to hold deposits for the sales of real estate (the "Real Estate Account").¹³ The balances in these accounts as of the close of the Reporting Period are as follows:

¹¹ Docket No. 1400.

¹² The remaining uncashed check is in the amount of \$88,154.18. The Receiver has contacted the claimant, urging it to cash the distribution check promptly.

¹³ Pursuant to the Court's *Order Approving the Receiver's Third Interim Fee Application for Receiver and Receiver's Professionals for Services Rendered from July 1, 2013 through December 31, 2013*, Docket No. 828, the Receiver has established a separate Savings Account tied to the Operating Account in which he is holding 20% of the professional fees incurred by him and his counsel related to that fee application. Money to open this Savings Account was

Account	Account Balance
Operating Account	\$301,673.75
Real Estate Account	\$8,000.00
TOTAL	\$309,673.75

2. Operating Account Deposits. The sources of funds deposited into the Operating Account during the Reporting Period are shown in the following table:

Source	Amount In
Settlement agreement proceeds	\$52,000.00
Sales of real estate	\$0.00
Bank interest	\$68.59
TOTAL	\$52,068.59

3. Operating Account Expenditures. The following table shows the categories of operating expenses that have been paid from the Operating Account during the Reporting Period:

Type of Expense	Amount Out
Publishing sale notices, appraisals	\$1,638.68
Legal fees for collection counsel	\$796.15
Bank wire fees (for distributions)	\$172.28
TOTAL	\$2,607.11

4. Distributions. As described in Part IV.B, distribution payments were sent on June 29, 2018 to 228 allowed claimants. Two hundred and twenty seven of those distribution payments, totaling \$1,917,240.23, have cleared the bank. The remaining distribution payment, in the amount of \$88,154.18, was sent to a foreign corporation and is expected to clear.

5. Real Estate Account Deposits and Withdrawals. The Real Estate Account remains open in the event it is needed to hold deposits relating to future real estate transactions,

transferred from the Operating Account. This Savings Account has a current balance of \$123,012.29 and is in addition to the amounts reported below.

with \$8,000 in the account.

6. SFAR. Attached as Exhibit B is a copy of the *Standardized Fund Accounting Report* for the Reporting Period

7. Administrative Expenses. After a hearing on August 15, 2018, the Court entered two *Orders*, approving in part and denying in part a *Fourteenth Interim Fee Application* for the Receiver and his counsel for services rendered during the period of October 1, 2017 to December 31, 2017,¹⁴ and approving a *Fifteenth Interim Fee Application* for services rendered from January 1, 2018 to March 31, 2018.¹⁵ Pursuant to those Orders, the Receiver has paid the amounts allowed by the Court, but not the approximately \$19,000 in legal fees that were disallowed.

On September 10, 2018, the Receiver filed a *Sixteenth Interim Fee Application* for services rendered from April 1, 2018 to June 30, 2018.¹⁶ After the end of the current Reporting Period, the Court entered an Order approving this Application, and the Receiver will include information about that Order in his next Status Report.

For the current Reporting Period, the Receiver and his staff have spent a total of 39.9 hours on behalf of the Receivership Estate. Billable services provided by the Receiver during the Reporting Period total \$8,000.00. For the current Reporting Period, Dorsey's total fees, less voluntary reductions, are in the total amount of \$5,340.00 and its out of pocket expenses total \$321.36.

¹⁴ Docket No. 1413.

¹⁵ Docket No. 1414.

¹⁶ Docket No. 1420.

VI.

NEXT STEPS

The Receiver anticipates addressing the following priorities in the coming months:

1. Property Sales. The Receiver will expand his marketing efforts for the Overland Trails property and file an amended motion seeking approval to sell the property at auction with a new \$400,000 stalking horse bid. Furthermore, he will continue his efforts to sell the remaining Elkhorn Ridge lots, located near Malad, Idaho, and explore options for a bulk sale of these lots.
2. Judgment and Settlement Collection. The Receiver will continue his efforts to collect unpaid judgments and payments due under approved settlement agreements.

VII.

CONCLUSION

Substantial progress is being made during the current Reporting Period to enable the Receivership Estate to be closed. The criminal case against Wayne Palmer has concluded with a conviction and sentencing. Close to \$2 million was distributed to holders of Allowed Claims. Overland Trails and the Elkhorn Ridge lots are the only real property holdings remaining to be sold, and the Receiver has received an offer for Overland Trails. Four judgments remain to be collected and the final installment payments on settlement agreements are due during the upcoming Reporting Period. The Receiver is analyzing the most efficient way to finalize completion of these remaining matters so that he can make a final distribution by no later than

the first half of 2019 and request closure of this case.

DATED this 30th day of October, 2018.



WAYNE KLEIN, Receiver

CERTIFICATE OF SERVICE

IT IS HEREBY CERTIFIED that service of the above **TWENTY-FIFTH STATUS REPORT OF R. WAYNE KLEIN, RECEIVER** was filed with the Court on this 30th day of October, 2018, and served via ECF on all parties who have requested notice in this case.

/s/ Candy Long

EXHIBIT A

	A	B	C	D	E	F	G
1		REAL PROPERTIES--STATUS					
2		As of 9/30/18. Investigation Ongoing. All Information Subject to Change.					
3		The numbers in the first column correspond with numbers of these properties as described in the Receiver's First Status Report.					
4		Property Name	Location	Listing Price	Sales Price	Net Sale Proceeds	Status
5		PROPERTIES CURRENTLY IN RECEIVERSHIP ESTATE					
6	3	Elkhorn Ridge Estates-37 Building Lots	Malad, ID	Various			
7		Lots #9 & 10			44,000.00		Sale approved [Docket No. 1419]. Buyer declined to close on sale.
8	20	Overland Trails	Eagle Mtn., UT	340,000	250,000.00		Motion to approve sale denied 8/31/18 [Docket No. 1418]
9		PROPERTIES SOLD OR RELEASED					
10		Property Name	Location	Listing Price	Sales Price	Net Sale Proceeds	Status
11	1	River Run/Riverbend Subdivision-Land	Middleton, ID	N.A.	N.A.	N.A.	No equity. Court approved release of property to lender [Dkt. No. 590]
12	2	Single family home: 1st Avenue	Middleton, ID	115,000	105,000	102,461.72	Sale approved [Docket No. 734]. Sale closed 10/15/14
13		Single family home: Hawthorne Ave.	Middleton, ID	80,000	76,000	69,569.48	Sale approved [Docket No. 804]. Sale closed 11/17/14
14	3	Elkhorn Ridge Estates-47 Building Lots	Malad, ID				Lots sold to date are:
15		Lot #1		135,000	155,000	142,834.78	Sale approved [Docket No. 419]. Sale closed 8/29/13
16		Lot #2		35,000	31,500	27,725.00	Sale approved [Docket No. 492]. Sale closed 12/6/13
17		Lot #3		35,000	22,000	19,344.67	Sale approved [Docket No. 1261]. Sale closed 1/31/17
18		Lot #4		35,000	35,000	30,893.21	Sale approved [Docket No. 231]. Sale closed 4/26/13
19		Lot #5		80,000	80,000	71,803.14	Sale approved [Docket No. 231]. Sale closed 4/8/13
20		Lots #6 & 7		70,000	44,000	39,483.79	Sale approved [Docket No. 1295]. Sale closed 6/9/17
21		Lot #22			22,000	19,322.15	Sale approved [Docket No. 1364]. Sale closed 4/2/18
22		Lot #25			25,200	22,178.62	Sale approved [Docket No. 1341]. Sale closed 1/29/18
23		Lot #48		80,000	80,000	73,620.84	Sale approved [Docket No. 231]. Sale closed 4/9/13
24	4	Elkhorn Ridge-4 Undeveloped Parcels	Malad, ID	250,000	240,000	226,369.05	Sale approved [Docket No. 1173]. Sale closed 9/9/16
25	5	Manhattan Grille Condominium	Manhattan, MT	49,000	51,000	45,933.32	Sale approved [Docket No. 300]. Sale closed 6/5/13
26	6	Twin Pines Apartments	Brigham City, UT	N.A.		172,020.02	Sale approved [Docket No. 736]. Sale closed 9/14/14
27	7	Ogden Office Building (49% ownership)	Ogden, UT	699,000	600,000	241,836.07	Sale approved via auction [Docket No. 1042]. Sale closed 1/6/16
28	8	Summit Park Lot	Summit Park, UT	40,000	37,500	32,477.61	Sale approved [Docket No. 135]. Sale closed 1/24/13
29	9	Bandanna Cabin	Fruitland, UT	260,000	260,000	226,374.07	Sale at auction approved [Docket No. 341]. Sale closed 10/24/13
30	10	Deer Meadows	Duchesne Co., UT	54,000	41,000.00	34,506.47	Sale approved [Docket No. 1369]. Sale closed 6/6/18
31	11	Outpost/Indian Canyon	Duchesne Co., UT	N.A.	148,222.56	134,068.12	Sale approved [Docket No. 269]. Sale closed 8/21/13
32	12	East Meadows Mobile Home Park	Vernal, UT	N.A.	1,025,000	979,620.29	Sale approved [Docket No. 292]. Sale closed 7/29/13
33	13	Quall Hollow Apartments	Vernal, UT	N.A.	N.A.	N.A.	Determined not owned by Receivership Estate
34	14	Residential Building Lots at 900 West	Salt Lake City, UT	N.A.	70,000	65,295.00	Sale approved [Docket No. 263]. Sale closed 5/8/13
35	15	Cottonwood Road Property-4 acres	Salt Lake City, UT	N.A.	N.A.	N.A.	No equity; court approved release of property to lender [Dkt. No. 179]
36	15	Cottonwood Road Property-1 acre	Salt Lake City, UT	N.A.	291,000	279,189.07	Sale at auction approved [Docket No. 495]. Sale closed 11/8/13
37	16	National Note Office Building	West Jordan, UT	285,000	285,000	55,903.09	Sale approved [Docket No. 161]. Sale closed 3/19/13
38	17	Palmer Residence	West Jordan, UT	N.A.	N.A.	N.A.	No equity. Court approved abandonment of property [Dkt. No. 869]
39	18	Star Pointe Development	Salt Lake City, UT	N.A.	N.A.	70,000.00	Court approved settlement agreement with lender [Docket No. 608]
40	19	Autumn Ridge Subdivision-Phase I	Eagle Mtn., UT				
41		Phase I-Lot #2		37,000	39,900	35,635.21	Sale approved [Docket No. 692]. Sale closed 7/8/14
42		Phase I-Lot #3		37,000	39,900	35,711.84	Sale approved [Docket no. 644]. Sale closed 5/1/14
43		Phase I-Lot #4		37,000	37,000	30,821.91	Sale approved to builders [Docket No. 293]. Sale closed 6/3/13
44		Phase I-Lot #6		37,000	37,000	31,355.85	Sale approved to builders [Docket No. 293]. Sale closed 10/31/13
45		Phase I-Lot #7		37,000	37,000	31,355.85	Sale approved to builders [Docket No. 293]. Sale closed 10/31/13

	A	B	C	D	E	F	G
46		Phase I-Lot #8		37,000	37,000	31,554.15	Sale approved to builders [Docket No. 293] Sale closed 5/31/13
47		Phase I-Lot #11		37,000	37,000	31,355.85	Sale approved to builders [Docket No. 293] Sale closed 10/31/13
48		Phase I-Lot #16		37,000	39,900	35,903.39	Sale approved [Docket No. 696]. Sale closed 7/18/14
49		Phase I-Lot #21		37,000	37,000	31,355.85	Sale approved to builders [Docket No. 293] Sale closed 10/31/13
50		Phase I-Lot #30		37,000	37,000	31,355.85	Sale approved to builders [Docket No. 293] Sale closed 10/31/13
51		Phase I-Lot #33		37,000	37,000	30,775.92	Sale approved to builders [Docket No. 293] Sale closed 10/31/13
52		Phase I-Lot #39		37,000	39,900	35,903.39	Sale approved [Docket No. 696]. Sale closed 7/18/14
53		Phase I-Lot #40		37,000	37,000	30,911.96	Sale approved to builders [Docket No. 293] Sale closed 9/25/13
54		Phase I-Lot #41		37,000	37,000	30,857.73	Sale approved to builders [Docket No. 293] Sale closed 8/14/13
55		Phase I-Lot #51		37,000	37,000	31,355.85	Sale approved to builders [Docket No. 293] Sale closed 10/31/13
56		Phase I-Lot #52		37,000	37,000	31,355.85	Sale approved to builders [Docket No. 293] Sale closed 10/31/13
57		Phase I-Lot #54		37,000	37,000	31,554.16	Sale approved to builders [Docket No. 293] Sale closed 5/31/13
58		Phase I-Lot #55		37,000	37,000	31,355.85	Sale approved to builders [Docket No. 293] Sale closed 10/31/13
59		Phase I-Lot #60		37,000	37,000	31,355.89	Sale approved to builders [Docket No. 293] Sale closed 10/31/13
60		Phase II-62 Building Lots		N.A.	538,000	446,610.24	Sale approved [Docket No. 460] Sale closed 10/1/13
61	21	Cedar Fort Land (Fairfield)-8 acres	Fairfield, UT	24,000	25,000	22,274.21	Sale at auction approved [Docket No. 458] Sale closed 11/14/13
62	21	Cedar Fort Land (Fairfield)-85 Acres	Fairfield, UT	255,000	213,925	242,656.49	Sale approved [Docket No. 1186]. Sale closed 8/12/16
63	22	Expressway Business Park	Spanish Fork, UT				
64		Unit #109		N.A.	N.A.	N.A.	No equity; Court approved release to lender [Docket No. 241]
65		Unit #305		65,000	69,000	55,840.79	Court approved sale at auction [Docket No. 270] Sale closed 6/27/13
66		Unit #204		N.A.	N.A.	N.A.	No equity; Court approved release to lender [Docket No. 364]
67		Unit #215		N.A.	127,500	112,965.27	Sale approved at auction [Docket No. 393] Sale closed 10/30/13
68	23	Expressway Business Park-Land	Spanish Fork, UT	1,250,000	775,000	357,412.55	Sale at auction approved [Docket No. 1320]. Sale closed 12/22/17
69	24	Gooseberry Cabin	Fairview, UT	N.A.	N.A.	N.A.	No equity; Court approved release to lender [Docket No. 125]
70	25	Almond Heights-21 Building Lots	Toquerville, UT	842,000			
71		Lot #A-2		159,750	148,200	118,730.60	Sale Approved [Docket No. 1099] Sale closed 3/22/16
72		Lot #C-2		34,200	30,780	24,136.91	Sale Approved [Docket No. 1075] Sale closed 3/1/16
73		Lot #F		32,300	31,000	24,733.41	Sale approved [Docket No. 988] Sale closed 8/24/15
74		Lot #F-3		35,150	31,635	24,887.93	Sale Approved [Docket No. 1075] Sale closed 3/1/16
75		Lot #7		38,000	32,000	29,388.95	Sale approved [Docket No. 829]. Sale closed 12/18/14
76		Lot #10		38,950	36,000	30,552.54	Sale approved [Docket No. 906]. Sale closed 3/31/15
77		Lot #11		37,050	32,000	6,788.12	Sale approved [Docket No. 829]. Sale closed 12/16/14
78		Lot #12		38,000	32,000	6,787.90	Sale approved [Docket No. 829]. Sale closed 12/16/14
79		Lot #13		37,050	32,000	6,787.75	Sale approved [Docket No. 829]. Sale closed 12/16/14
80		Lot #14		35,150	31,635	6,525.25	Sale Approved [Docket No. 1075] Sale closed 3/1/16
81		Lot #15		33,250	29,925	6,254.50	Sale Approved [Docket No. 1075] Sale closed 3/1/16
82		Lot #17		30,400	24,000	21,752.44	Sale approved [Docket No. 829]. Sale closed 12/11/14
83		Lot #18		30,400	27,360	23,562.06	Sale Approved [Docket No. 1075] Sale closed 3/1/16
84		Lot #19		22,800	18,600	-1,200.46	Sale Approved [Docket No. 1068] Sale closed 1/25/16
85		Lot #20		22,800	18,600	-1,526.81	Sale Approved [Docket No. 1068] Sale closed 1/25/16
86		Lot #21					Sale approved [Docket No. 1256]. Sale closed 2/9/17
87		Lot #22		11,500	7,700	4,198.82	Sale approved [Docket No. 1256]. Sale closed 2/9/17
88		Lot #23		31,350	24,000	20,346.06	Sale approved [Docket No. 998]. Sale closed 9/4/15
89		Lot #24		33,250	31,000	26,672.24	Sale approved [Docket No. 998]. Sale closed 9/4/15
90		Lot #25		35,150	34,000	29,216.54	Sale approved [Docket No. 951]. Sale closed 5/21/15
91		Lot #26		34,200	32,000	27,151.02	Sale approved [Docket No. 829]. Sale closed 12/17/14
92	26	Kanab Home	Kanab, UT	199,000	197,000	18,162.90	Sale approved [Docket No. 746]. Sale closed 9/4/14
93	27	Farrell Business Park-12 Units	Gilbert, AZ				
94		Unit 103		76,631	101,631	83,997.05	Court approved sale at auction [Docket No. 202] Sale closed 5/31/13

	A	B	C	D	E	F	G
95		Unit 104		76,631	101,631	83,997.05	Court approved sale at auction [Docket No. 202] Sale closed 5/31/13
96		Unit 105		80,000	92,000	70,392.98	Court approved sale at auction [Docket No. 203] Sale closed 5/21/13
97		Unit 106		80,000	97,000	74,832.11	Court approved sale at auction [Docket No. 204] Sale closed 6/7/13
98		Unit 107		80,000	90,000	67,699.81	Court approved sale at auction [Docket No. 205] Sale closed 6/7/13
99		Unit 109		80,000	80,000	59,194.91	Court approved sale at auction [Docket No. 206] Sale closed 5/16/13
100		Unit 110		80,000	80,000	59,194.91	Court approved sale at auction [Docket No. 206] Sale closed 5/16/13
101		Unit 111		80,000	80,000	59,194.92	Court approved sale at auction [Docket No. 206] Sale closed 5/16/13
102		Unit 113		80,000	107,000	85,094.45	Court approved sale at auction [Docket No. 207] Sale closed 6/3/13
103		Unit 114		80,000	107,000	85,094.45	Court approved sale at auction [Docket No. 207] Sale closed 6/3/13
104		Unit 115		80,000	80,000	59,288.00	Court approved sale at auction [Docket No. 208] Sale closed 6/11/13
105		Unit 116		80,000	80,000	59,288.00	Court approved sale at auction [Docket No. 208] Sale closed 6/11/13
106	28	Clearview Business Park-8 Units	Mesa, AZ	415,954	737,000	591,295.43	Court approved sale at auction [Docket No. 177] Sale closed 5/10/13
107	29	Bear Grove Industrial Park-8 Lots	Byron, MN	1,675,200			Property is listed for sale with broker; property encumbered by bond
108		Parcel #8516		281,500	210,000	10,000.00	Sale approved [Docket No. 853]. Sale closed 3/27/15
109		Parcel #8509		156,700	149,000	98,795.03	Sale approved [Docket No. 849]. Sale closed 3/16/15
110		Parcel #8512		305,000	235,000	6,500.00	Sale approved [Docket No. 854]. Sale closed 3/6/15
111		Parcel #6060		340,000	235,000	10,000.00	Sale approved [Docket No. 875]. Sale closed 3/24/15
112		Lot 3, Block 1 (Parcel #8510)		149,500	149,500	95,340.47	Sale approved [Docket No. 989] Sale closed 9/30/15
113		Block 2, Lots 4-5		448,300	448,300	279,963.57	Sale at auction approved [Docket No. 1084] Sale closed 3/31/16
114		Block 2, Lot 1		285,000	280,000	34,019.74	Sale approved [Docket No. 1118]. Sale closed June 15, 2016
115	29	Bear Grove Industrial Park-Block 1, Lot 4	Byron, MN	285,000	288,520	10,000.00	Sale approved [Docket No. 1361]. Sale closed 4/16/18.
116	30	Georgia Single Family Residence	Temple, GA	135,000	125,000	106,843.83	Sale approved [Docket No. 553] Sale closed 1/10/14
117	31	Chicago Single Family Residence	Chicago, IL	N.A.	N.A.	N.A.	No value; Court approved abandonment [Docket No. 434] Order 9/10/13
118	32	Cleveland Single Family Residence	Cleveland, OH	N.A.	N.A.	N.A.	No value; Court approved abandonment [Docket No. 434] Order 9/10/13
119	33	Cleveland Building Lot	Cleveland, OH	N.A.	N.A.	N.A.	No value; Court approved abandonment [Docket No. 434] Order 9/10/13
120	34	Toledo Single Family Residence	Toledo, OH	N.A.	N.A.	N.A.	No value; Court approved abandonment [Docket No. 434] Order 9/10/13
121							
122		Total		11,841,116.00	11,022,463.92	7,576,356.86	

EXHIBIT B

Wayne Klein, Receiver for National Note of Utah
PO Box 1836
Salt Lake City, UT 84110
801-824-9616

STANDARDIZED FUND ACCOUNTING REPORT

Civil – Receivership Fund

Fund Name: SEC v. National Note of Utah
Civil Court Docket No. 2:12-CV-00591 BSJ

Reporting Period 07/01/2018 to 09/30/2018

Standardized Fund Accounting Report for National Note of Utah - Cash Basis

Receivership; Civil Court Docket No. 2:12-CV-00591 BSJ

Reporting Period 07/01/2018 to 09/30/2018

Fund Accounting (See Instructions):				
		Detail	Subtotal	Grand Total
Line 1	Beginning Balance (As of 07/01/2018):	\$2,373,361.86		
	<i>Increases in Fund Balance:</i>			
Line 2	Business Income	\$0.00		
Line 3	Cash and Securities	\$0.00		
Line 4	Interest/Dividend Income	\$84.59		
Line 5	Business Asset Liquidation	\$0.00		
Line 6	Personal Asset Liquidation	\$0.00		
Line 7	Third-Party Litigation Income	\$52,000.00		
Line 8	Miscellaneous - Other	\$0.00		
	Total Funds Available (Lines 1 - 8)		\$2,425,446.45	
	<i>Decreases in Fund Balance:</i>			
Line 9	Disbursements to Investors	\$1,917,240.23		
Line 10	Disbursements for Receivership Operations			
Line 10a	Disbursements to Receiver or Other Professionals	\$22,270.00		
Line 10b	Business Asset Expenses	\$2,607.10		
Line 10c	Personal Asset Expenses	\$0.00		
Line 10d	Investment Expenses	\$0.00		
Line 10e	Third-Party Litigation Expenses			
	1. Attorney Fees	\$50,637.35		
	2. Litigation Expenses	\$0.00		
	Total Third-Party Litigation Expenses	\$50,637.35		
Line 10f	Tax Administrator Fees and Bonds	\$0.00		
Line 10g	Federal and State Tax Payments	\$0.00		
	Total Disbursements for Receivership Operations	\$1,992,754.68		
Line 11	Disbursements for Distribution Expenses Paid by the Fund:			
Line 11a	Distribution Plan Development Expenses:			
	1. Fees:	\$0.00		
	Fund Administrator			
	Independent Distribution Consultant (IDC)			
	Distribution Agent			
	Consultants			

	Legal Advisers			
	Tax Advisers			
	2. Administrative Expenses	\$0.00		
	3. Miscellaneous	\$0.00		
	<i>Total Plan Development Expenses</i>	\$0.00		
Line 11b	<i>Distribution Plan Implementation Expenses:</i>			
	1. Fees:	\$0.00		
	Fund Administrator			
	IDC			
	Distribution Agent			
	Consultants			
	Legal Advisers			
	Tax Advisers			
	2. Administrative Expenses	\$0.00		
	3. Investor Identification:	\$0.00		
	Notice/Publishing Approved Plan			
	Claimant Identification			
	Claims Processing			
	Web Site Maintenance/Call Center			
	4. Fund Administrator Bond	\$0.00		
	5. Miscellaneous	\$0.00		
	6. Federal Account for Investor Restitution	\$0.00		
	(FAIR) Reporting Expenses	\$0.00		
	<i>Total Plan Implementation Expenses</i>	\$0.00		
	Total Disbursements for Distribution Expenses Paid by the Fund	\$0.00		
Line 12	Disbursements to Court/Other:			
	<i>Investment Expenses/Court Registry Investment</i>			
Line 12a	<i>System (CRIS) Fees</i>	\$0.00		
Line 12b	<i>Federal Tax Payments</i>	\$0.00		
	Total Disbursements to Court/Other	\$0.00		
	Total Funds Disbursed (Lines 9 - 12):		\$1,992,754.68	
Line 13	Ending Balance (As of 09/30/2018):			\$432,691.77
Line 14	Ending Balance of Fund - Net Assets:			
Line 14a	<i>Cash & Cash Equivalents</i>	\$432,691.77		
Line 14b	<i>Investments</i>	\$0.00		
Line 14c	<i>Other Assets or Uncleared Funds</i>	\$0.00		
	Total Ending Balance of Fund - Net Assets			\$432,691.77

Other Supplemental Information:			
		Detail	Subtotal
	<i>Report of Items NOT To Be Paid by the Fund:</i>		
Line 15	Disbursements for Plan Administration Expenses Not Paid by the Fund:		
Line 15a	Plan Development Expenses Not Paid by the Fund:		
	1. Fees:	\$0.00	
	Fund Administrator		
	IDC		
	Distribution Agent		
	Consultants		
	Legal Advisers		
	Tax Advisers		
	2. Administrative Expenses	\$0.00	
	3. Miscellaneous	\$0.00	
	Total Plan Development Expenses Not Paid by the Fund	\$0.00	
Line 15b	Plan Implementation Expenses Not Paid by the Fund:		
	1. Fees:	\$0.00	
	Fund Administrator		
	IDC		
	Distribution Agent		
	Consultants		
	Legal Advisers		
	Tax Advisers		
	2. Administrative Expenses	\$0.00	
	3. Investor Identification:	\$0.00	
	Notice/Publishing Approved Plan		
	Claimant Identification		
	Claims Processing		
	Web Site Maintenance/Call Center		
	4. Fund Administrator Bond	\$0.00	
	5. Miscellaneous	\$0.00	
	6. FAIR Reporting Expenses	\$0.00	
	Total Plan Implementation Expenses Not Paid by the Fund	\$0.00	
Line 15c	Tax Administrator Fees and Bonds Not Paid by the Fund	\$0.00	
	Total Distributions for Plan Administration Expenses Not Paid by the Fund	\$0.00	

Line 16	Disbursements to Court/Other Not Paid by the Fund:		
Line 16a	Investment Expenses/Court Registry Investment System (CRIS) Fees	\$0.00	
Line 16b	Federal Tax Payments	\$0.00	
	Total Disbursements to Court/Other Paid by the Fund:	\$0.00	
Line 17	DC & State Tax Payments	\$0.00	
Line 18	No. of Claims:		
Line 18a	# of Claims Received This Reporting Period	0	
Line 18b	# of Claims Received Since Inception of Fund	468	
Line 19	No. of Claimants/Investors:		
Line 19a	# of Claimants/Investors Paid This Reporting Period	228	
Line 19b	# of Claimants/Investors Paid Since Inception of Fund	432	

Receiver: National Note of Utah

By: Wayne Klein
(signature)

Wayne Klein
(printed name)

Receiver
(title)

Date: October 11, 2018

